

THE INFLUENCE OF ENTREPRENEURIAL KNOWLEDGE AND ENTREPRENEURIAL MOTIVATION ON ENTREPRENEURIAL INTEREST

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ABSTRACT

This scholarly examination aims to scrutinize correlations linking enterprise cognition and enterprise drive toward entrepreneurial propensities within Indonesia's Diploma credential holders. The investigative framework utilized quantitative methodologies featuring correlational structural design encompassing 106 study subjects selected from the entrepreneurial cohort of Diploma program alumni via Slovin computational formula. Data acquisition transpired through survey instrument distribution processed utilizing SPSS analytical software for descriptive evaluation, validity confirmation, reliability testing, and singular alongside multiple linear regression computation. Investigation findings established that enterprise cognition together with enterprise drive exhibited constructive yet limited correlations with entrepreneurial propensities, producing statistically marginal input values. These revelations indicate that while both components possess relevance, supplementary determinants such as practical exposure, organizational capabilities, capital accessibility, and environmental factors similarly influence entrepreneurial propensities determination among Diploma credential recipients. Research endorses comprehensive tactical orientations incorporating hands-on skill cultivation, advisory support mechanisms, and policy infrastructure enhancement to strengthen entrepreneurial propensities. Entrepreneurial pedagogy should prioritize pragmatic relevance and synthesis with genuine operational implementations preparing graduates to navigate entrepreneurial complexities holistically.

Key words: Entrepreneurial knowledge; Entrepreneurial motivation; Entrepreneurial interest.

INTRODUCTION

Entrepreneurial interest refers to an individual's strong desire to start and manage a business. It is crucial not only for personal development but also for economic growth, as it creates jobs and stimulates innovation. This interest can emerge across different ages, educational levels, and socioeconomic backgrounds, often driven by perceived market opportunities, inspiration from successful entrepreneurs, personal experience, and knowledge. It can be strengthened through education, training, practical experience, and motivational support.

Entrepreneurship is a key driver of economic development in developing countries. Economic progress largely depends on entrepreneurs as agents of change (Julindrastuti et al., 2022). In Indonesia, entrepreneurship contributes to creativity, reduces dependence on government employment such as Civil Servants (PNS), and attracts foreign investment (Maharani & Setyowati, 2024). It also increases national income, generates employment, reduces social and economic disparities, and promotes social welfare (Rachmawati et al., 2022). A balanced number of entrepreneurs can enhance overall societal well-being (Aulia & Halvi, 2023). However, despite its importance, the number and quality of entrepreneurs in Indonesia remain relatively low, posing challenges to national development (Hasniati et al., 2022). According to Databox, entrepreneurs account for 56.5 million people or 38.25% of the national labor force, with most having an elementary school education (Ahdiat, 2023).

Table 1. Number of entrepreneurs by last year education

No	Trakhir Education	Trying on your own
1	Primary school	9.289.593
2	Vocational High School	6.357.073
3	Junior High School	6.221.222
4	High School	3.265.454
5	Vocational High School	1.385.554
6	Diploma	541.596

Source: (Ahdiat 2023)

The distribution of entrepreneurs by educational background shows a dominance of elementary school graduates, while Diploma graduates represent a minority. Several factors explain the relatively low entrepreneurial interest among Diploma graduates, including reluctance to face business risks, limited start-up capital, insufficient managerial skills and entrepreneurial knowledge, lack of personal and environmental motivation, and a preference for stable salaried employment. Although they possess higher formal education, many Diploma graduates feel unprepared for entrepreneurial challenges. Key obstacles include income uncertainty, the need for substantial initial capital, limited financial management competence, and weak entrepreneurial drive. For example, inadequate financial management skills may lead to cash flow problems and early business failure, while low motivation can increase fear of risk-taking.

Entrepreneurial interest is influenced by several factors, particularly entrepreneurial cognition (Rachmawati et al., 2022). Entrepreneurial cognition refers to an individual's ability to generate innovative ideas, recognize opportunities, and transform them into valuable outcomes (Widiyaastuti et al., 2022). Previous studies indicate that 52.7% of the variation in entrepreneurial interest is explained by entrepreneurial cognition and motivation (Pratama et al., 2024). Research by Hasniati et al. (2022) and Rachmawati et al. (2022) also confirms that entrepreneurial cognition has a positive and significant effect on entrepreneurial interest.

In addition to cognition, entrepreneurial motivation is another key determinant of entrepreneurial interest (Rachmawati et al., 2022). Entrepreneurial motivation reflects the internal and external drives that encourage individuals to engage in business activities independently, build self-confidence, embrace risks, think creatively, and strive for innovation (Bima et al., 2022). It plays a crucial role in achieving business success (Rachmawati et al., 2022). Motivation can arise from personal or social sources and fosters a mindset oriented toward achievement and excellence (Noor et al., 2023). Empirical findings show that entrepreneurial motivation also has a positive and significant effect on entrepreneurial interest (Maharani & Setyowati, 2024).

Based on these issues, entrepreneurial interest among Diploma graduates remains relatively low. Therefore, this study aims to examine: (1) the effect of entrepreneurial cognition on entrepreneurial interest; (2) the effect of entrepreneurial motivation on entrepreneurial interest; and (3) the combined effect of entrepreneurial cognition and entrepreneurial motivation on entrepreneurial interest.

METHOD

The methodology in this study uses a quantitative approach with a non-experimental research design or correlational research. Correlation research is research with the nature of examining the level of relationship between one variable and another that is being studied based on correlation coefficients (Sahir & Hanafi, 2022). The models in this study:

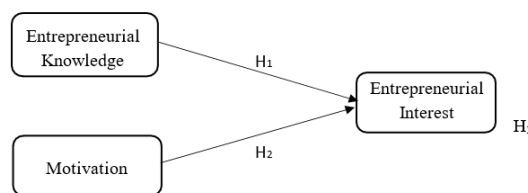


Figure 1. Research model

Participants in this study are Indonesian citizens registered as entrepreneurs who have graduated from diploma programs, as participants are subjects directly involved in supporting and responding to research activities (Suriani et al., 2023). The population consists of diploma graduate entrepreneurs totaling 541,596 individuals (Ahdiat, 2023), defined as all research elements with specific characteristics (Amin & al., 2023). The sample, representing part of the population with similar characteristics (Priadana & Sunarsi, 2021), was determined using the Slovin formula, which is widely applied in quantitative research to obtain representative samples without requiring reference tables (Aulia & Halvi, 2023). Based on the Slovin calculation, the study obtained approximately 100–106 respondents.

Data was collected using a questionnaire as the primary research instrument (Sitanggang & Perdana, 2022), employing a Likert scale to measure entrepreneurial knowledge, entrepreneurial motivation, and entrepreneurial interest (Aulia & Halvi, 2023). The questionnaire comprised demographic data and statements related to the three main variables. This study adopted a quantitative approach, with data analysis conducted using SPSS software. The analysis included descriptive statistics to describe respondent characteristics and research variables (Rachmawati et al., 2022), followed by validity, reliability (Cronbach's Alpha), normality, correlation, and regression tests. Simple linear regression was used to test H1 and H2, while multiple linear regression was applied for H3, accompanied by classical assumption tests to ensure model validity. This approach aims to provide a comprehensive understanding of the influence of entrepreneurial knowledge and motivation on entrepreneurial

interest among diploma graduate entrepreneurs in Indonesia, contributing to entrepreneurship development nationally.

RESULTS AND DISCUSSION

Based on Table 1, all 106 observations (100%) were valid, with no missing or excluded data. This indicates that all respondents provided complete information for each variable analyzed. The application of the *listwise deletion* method ensured that only complete cases were included, thereby strengthening the robustness and accuracy of the statistical analysis.

Table 1. Results of the analysis of the summary reality model
Case Processing Summary

		N	%
Cases	Valid	106	100,0
	Excluded ^a	0	,0
	Total	106	100,0

1. Listwise deletion based on all variables in the procedure.

Source: data processing results with spss 27,2025

The reliability results presented in Table 2 show a Cronbach's Alpha value of 0.956 across 30 measurement items, exceeding the minimum acceptable threshold of 0.70. This finding confirms excellent internal consistency, indicating that the research instrument is highly reliable and appropriate for measuring the constructs examined in this study.

Table 2. Results of the Reality Test

Reliability Statistics	
Cronbach's Alpha	N of Items
,956	30

Source: data processing results with spss 27,2025

The simple linear regression results between X1 and Y are presented in **Table 3**. The correlation coefficient (R) of 0.203 indicates a positive but weak relationship. The R Square value of 0.041 suggests that X1 explains only 4.1% of the variance in Y, while the negative Adjusted R Square (-0.019) reflects limited explanatory power. Overall, the regression results indicate that the model is not statistically significant (Sig. > 0.05), demonstrating that X1 does not have a significant effect on Y.

Table 3 Summary Results Model

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	,203a	,041	-,019	,93223

1. Predictors: (Constant), X1

Source: data processing results with spss 27,2025

Similarly, the regression analysis between X2 and Y, as shown in **Table 4**, yields an R value of 0.314, indicating a weak positive relationship. The R Square value of 0.099 implies that X2 accounts for 9.9% of the variance in Y, while the Adjusted R Square value of 0.042 reflects a modest explanatory contribution. Despite this positive association, the regression results indicate that the effect of X2 on Y is not statistically significant (Sig. > 0.05).

Table 4. Summary model results X2 and Y

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	,314a	,099	,042	,90374

a. Predictors: (Constant), X2

Source: data processing results with spss 27,2025

Overall, these findings indicate that neither X1 nor X2 individually exert a significant effect on Y in the simple linear regression models. Building on these empirical results, this study further examines the relationship between entrepreneurial intellectual capital and motivational propulsion in shaping entrepreneurial interest among Indonesian Diploma graduates. Drawing on Likert-scale survey data analyzed using SPSS, the results consistently show that both entrepreneurial intellectual capital and motivational propulsion exhibit positive yet weak and statistically insignificant relationships with entrepreneurial interest.

Entrepreneurial intellectual capital reflects cognitive competencies that enable individuals to generate innovative ideas through creative and analytical thinking, which are widely recognized as essential drivers of entrepreneurial behavior (Lysander et al., 2023; Suryadi et al., 2022). However, the empirical results demonstrate that this variable explains only a small proportion of entrepreneurial interest and does not reach statistical significance. This finding suggests that entrepreneurial knowledge alone is insufficient to stimulate strong entrepreneurial interest without support from experiential learning, organizational capability, and practical exposure, consistent with prior studies (Hasniati et al., 2022; Rachmawati et al., 2022).

Motivational propulsion, representing internal psychological drivers such as risk tolerance, self-confidence, future orientation, and creativity (Bima et al., 2022; Kartika et al., 2022), also shows a positive but limited contribution to entrepreneurial interest. Although motivation is theoretically central to entrepreneurial intention formation (Noor et al., 2023; Maharani & Setyowati, 2024), its relatively low explanatory power indicates that internal motivation alone is insufficient and must be reinforced by external factors such as access to capital, market opportunities, and institutional support.

Further analysis reveals that entrepreneurial intellectual capital and motivational propulsion, when considered simultaneously, do not exert a significant combined influence on entrepreneurial interest among Diploma graduates. This outcome may be attributed to broader socioeconomic constraints, including limited financial resources, inadequate business preparedness, and a preference for stable employment with fixed income. These conditions align with development economics perspectives emphasizing the need for comprehensive capacity-building, supportive ecosystems, and policy interventions to reduce structural barriers to entrepreneurship (Julindrastuti et al., 2022; Rachmawati et al., 2022).

CONCLUSION

This study examines the influence of entrepreneurial knowledge and entrepreneurial motivation on entrepreneurial interest among Diploma graduates in Indonesia. The findings indicate that both variables exhibit positive but weak and statistically insignificant effects, suggesting that entrepreneurial knowledge and motivation alone are insufficient to foster strong entrepreneurial interest. When examined simultaneously, these factors also fail to significantly explain entrepreneurial interest, highlighting the limitations of approaches that rely solely on cognitive and motivational dimensions.

Therefore, the development of entrepreneurial interest among Diploma graduates requires a more holistic and multidimensional strategy, integrating practical skills training, mentorship, soft skills development, and access to capital and business networks. Strengthening entrepreneurship education through the integration of theory and real-world practice is essential to better prepare graduates for entrepreneurial challenges. Overall, this study provides valuable implications for educational institutions, policymakers, and stakeholders in designing more effective and sustainable entrepreneurship development programs for Diploma graduates in Indonesia.

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